

SCHIP Reauthorization: Funding Scenarios for California

I. Vetoed Grassley/Baucus (Senate/House Compromise Bill)

A. High State Expenditures (per CHCF estimates)

Federal \$s in billions						
	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	Total
Annual National Capped Allotments 1/ 5/	\$ 9.13	\$ 10.68	\$ 11.85	\$ 13.75	\$ 16.00	\$ 61.41
California Share 2/	\$ 1.27	\$ 1.35	\$ 1.63	\$ 1.91	\$ 2.11	\$ 8.28
California Carryover and Redistribution funds	\$ 0.18	\$ 0.22	\$ 0.09			
Funds from shifting Presumptive Eligibility to Medicaid 6/	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.10	
Total Available to California	\$ 1.45	\$ 1.58	\$ 1.72	\$ 1.91	\$ 2.11	
CHCF Estimate of Base Program Expenditures 3/	\$ 1.23	\$ 1.46	\$ 1.61	\$ 1.78	\$ 1.97	\$ 8.04
Governor's HCR Expansions 4/	\$ -	\$ 0.03	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.45
Total Projected Expenditures	\$ 1.23	\$ 1.48	\$ 1.74	\$ 1.92	\$ 2.12	\$ 8.48
Balance	\$ 0.22	\$ 0.09	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.21)
Given Funding & Total Expenditures,						
Months of Operation per FFY	14.2	12.7	11.9	12.0	12.0	

B. Medium State Expenditures (per CHCF estimates)

Federal \$s in billions						
	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	Total
Annual National Capped Allotments 1/ 5/	\$ 9.13	\$ 10.68	\$ 11.85	\$ 13.75	\$ 16.00	\$ 61.41
California Share 2/	\$ 1.27	\$ 1.35	\$ 1.51	\$ 1.76	\$ 1.92	\$ 7.81
California Carryover and Redistribution funds	\$ 0.18	\$ 0.22	\$ 0.20	\$ 0.12	\$ 0.13	
Funds from shifting Presumptive Eligibility to Medicaid 6/	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.10	
Total Available to California	\$ 1.45	\$ 1.58	\$ 1.71	\$ 1.87	\$ 2.05	
CHCF Estimate of Base Program Expenditures 3/	\$ 1.23	\$ 1.35	\$ 1.47	\$ 1.60	\$ 1.74	\$ 7.39
Governor's HCR Expansions 4/	\$ -	\$ 0.03	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.45
Total Projected Expenditures	\$ 1.23	\$ 1.38	\$ 1.60	\$ 1.74	\$ 1.89	\$ 7.84
Balance	\$ 0.22	\$ 0.20	\$ 0.12	\$ 0.13	\$ 0.15	
Given Funding & Total Expenditures,						
Months of Operation per FFY	14.2	13.7	12.9	12.9	13.0	

Footnotes for Charts A & B:

1/ 2008 National Allotments from September 24, 2007 version of Grassley-Baucus bill (page 7).

2/ 2008 share based on 2007 expenditures on August 2007 CMS 21B report plus 10%. All other years inflated by 10% of prior year expenditures.

3/ 2008 expenditures based on 2007 May Revise estimate. 2009 and ongoing reflect expenditure levels estimated by Peter Harbage in the recent California Healthcare Foundation report on SCHIP Re-authorization.

4/ Expansions include 250-300% FPL children. Low/Medium/High expenditures not available.

5/ Presumes 20% Contingency Fund does not come off the top, but is used to fund FFY 2012 National Allotment.

6/ Shows shift in funding from SCHIP to Medicaid for Presumptive Eligibility (PE) expenditures to Medicaid children. Estimated PE expenditures shown on this chart projected by Peter Harbage.

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II. President's Proposal

A. High State Expenditures (per CHCF estimates)

Federal \$s in billions

	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	Total
Annual National Capped Allotments	\$ 5.00	\$ 5.28	\$ 6.51	\$ 6.51	\$ 6.51	\$ 29.81
California Share of Allotment 1/	\$ 0.80	\$ 0.84	\$ 1.04	\$ 1.04	\$ 1.04	\$ 4.77
California Carryover and Redistribution Funds	\$ 0.18					
Total Available to California	\$ 0.98	\$ 0.84	\$ 1.04	\$ 1.04	\$ 1.04	\$ 4.77
CHCF Estimate of Base Program Expenditures 2/	\$ 1.23	\$ 1.46	\$ 1.61	\$ 1.78	\$ 1.97	\$ 8.04
Governor's HCR Expansions 3/	\$ -	\$ 0.03	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.45
Total Projected Expenditures	\$ 1.23	\$ 1.48	\$ 1.74	\$ 1.92	\$ 2.12	\$ 8.49
Balance	\$ (0.25)	\$ (0.64)	\$ (0.70)	\$ (0.88)	\$ (1.07)	\$ (3.72)
Given Funding & Total Expenditures,						
Months of Operation per FFY	<u>9.6</u>	<u>6.8</u>	<u>7.2</u>	<u>6.5</u>	<u>5.9</u>	

B. Medium State Expenditures (per CHCF estimates)

Federal \$s in billions

	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	Total
Annual National Capped Allotments	\$ 5.00	\$ 5.28	\$ 6.51	\$ 6.51	\$ 6.51	\$ 29.81
California Share of Allotment 1/	\$ 0.80	\$ 0.84	\$ 1.04	\$ 1.04	\$ 1.04	\$ 4.77
California Carryover and Redistribution Funds	\$ 0.18					
Total Available to California	\$ 0.98	\$ 0.84	\$ 1.04	\$ 1.04	\$ 1.04	\$ 4.77
CHCF Estimate of Base Program Expenditures 2/	\$ 1.23	\$ 1.35	\$ 1.47	\$ 1.60	\$ 1.74	\$ 7.39
Governor's HCR Expansions 3/	\$ -	\$ 0.03	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.45
Total Projected Expenditures	\$ 1.23	\$ 1.38	\$ 1.60	\$ 1.74	\$ 1.89	\$ 7.84
Balance	\$ (0.25)	\$ (0.53)	\$ (0.56)	\$ (0.70)	\$ (0.85)	\$ (3.07)
Given Funding & Total Expenditures,						
Months Of Operation per FFY	<u>9.6</u>	<u>7.4</u>	<u>7.8</u>	<u>7.2</u>	<u>6.6</u>	

Footnotes for Charts A & B:

1/ Assumes that California will receive its historical allotment equal to 16% of the national allotment.

2/ 2008 expenditures based on 2007 May Revise estimate. 2009 and ongoing reflect the expenditure levels estimated by Peter Harbage in the recent California HealthCare Foundation report on SCHIP Re-authorization.

3/ Expansions include 250-300% FPL children. Low/Medium/High expenditures not available.

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Disenrollments Needed to Save \$265 million in FFP

For illustrative purposes, the chart below identifies disenrollments required to reduce expenditures by \$265 million in FFP during FFY 2008. This is the amount California would have to reduce if it receives the same amount of funding in FFY 2008 as it did in FFY 2007 (\$790 million).

This chart illustrates that the sooner disenrollments begin, the fewer children are affected. This is because for each child disenrolled in October 2007, the State avoids 12 monthly capitation payments per child. If disenrollments begin in November 2007, the State would avoid only 11 monthly capitation payments per child, if disenrollments begin in December 2007, the State would avoid only 10 monthly capitation payments per child and so on.

Assuming Children are Disenrolled Beginning of:	Number of HFP Children To Be Disenrolled (Assumes No Program Attrition)	
	CHCF Midpoint	MRMIB
October 1, 2007	272,567	257,717
November 1, 2007	297,346	281,145
December 1, 2007	327,081	309,260
January 1, 2008	363,423	343,622
February 1, 2008	408,851	386,575
March 1, 2008	467,258	441,800
April 1, 2008	545,135	515,433
May 1, 2008	654,162	618,520
June 1, 2008	817,702	773,150
July 1, 2008	All	All
August 1, 2008	All	All
September 1, 2008	All	All